



Iowa General Assembly

2004 Committee Briefings

Legislative Services Agency – Legal Services Division

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PROFESSIONAL EMPLOYER ORGANIZATION REVIEW COMMITTEE

Meeting Dates: [January 12, 2005](#)

Purpose. *This compilation of briefings on legislative interim committee meetings and other meetings and topics of interest to the Iowa General Assembly, written by the Legal Services Division staff of the nonpartisan Legislative Services Agency, describes committee activities or topics. The briefings were originally distributed in the Iowa Legislative Interim Calendar and Briefing. Official minutes, reports, and other detailed information concerning the committee or topic addressed by a briefing can be obtained from the committee's Internet page listed above, from the Iowa General Assembly's Internet page at <http://www.legis.state.ia.us>, or from the agency connected with the meeting or topic described.*

PROFESSIONAL EMPLOYER ORGANIZATION REVIEW COMMITTEE

January 12, 2005

Co-chairperson: Senator David Johnson

Co-chairperson: Representative Jeff Elgin

Overview. The Professional Employer Organization Review Committee, which was approved by the Legislative Council as a 2004 interim committee, met for its one approved meeting. The charge of the Committee was to gather information about professional employer organizations (PEOs), including the definition of and functions of a PEO, addressing issues involving PEOs, learning about other states' approaches to regulating PEOs, and considering the perspectives of persons interested in PEOs, including PEO clients, collective bargaining representatives, insurers, and Iowa Workforce Development.

Testimony. Mr. John Hovey, President of Merit Resources, a PEO located in Urbandale, Iowa, explained what a PEO is and what it does for its clients. Ms. Sunnie Richer, president of Doextra, a small software company in Des Moines, spoke about her company's positive experience as a client of Merit Resources. Mr. Tim Tucker, Governmental Relations Manager for the National Association of PEOs in Alexandria, Virginia, spoke about the regulation of PEOs in other states and issues involving PEOs in Iowa and in other states. Mr. Terry Rich, CEO of the Blank Park Zoo, spoke about the zoo's positive experience as a client of Merit Resources, from the perspective of a nonprofit organization.

Proposed Legislation. Mr. Hovey, Mr. Tucker, and Mr. Matt Eide, Merit Resources lobbyist, indicated that they have developed proposed legislation to regulate PEOs in Iowa. They indicated that there have been situations involving disreputable PEOs in other states that they would like to prevent from occurring in Iowa. They indicated that they are having ongoing discussions with collective bargaining representatives, insurers, and Iowa Workforce Development personnel to assure that those groups support the proposed legislation. Mr. Tucker indicated that he would provide additional written information about PEOs for distribution to the Committee.

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